I ask my colleagues to join me in saluting Mike Riley, whose sense of compassion, commitment to economic justice and devotion to his family is an inspiration to us all. I am proud to be his friend.

TIME TO INCREASE THE MINIMUM WAGE: THERE IS A HIGH COST FOR LOW WAGES

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. LANTOS. Mr. Speaker, with 126 of our distinguished colleagues, I am a cosponsor of the bill, H.R. 325, which was introduced by our colleagues Congressman DAVID BONIOR and Democratic Leader RICHARD A. GEPHARDT. Our legislation would raise the minimum wage from $5.15 to $5.65 on September 1, 1999, and from $5.65 to $6.15 on September 1, 2000. An identical bill has been introduced in the Senate.

Mr. Speaker, the present minimum wage is a poverty wage. A single mother, with two children, working at minimum wage earns thousands of dollars less than the poverty level. You just cannot raise a family on $5.15 an hour. As Barbara Ehrenreich said in an essay entitled ''The High Cost of Low Wages'' which appeared in America @ Work: ''Even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live on, at least if she intends to live indoors.''

It is essential that we increase the minimum wage, Mr. Speaker, in order to prevent further erosion of the purchasing power of low-wage workers. An increase in the minimum wage will serve as an important means for people to gain independence from government income support programs. It will boost worker morale and increase worker productivity.

Mr. Speaker, we can afford to increase the minimum wage—and now is the time to do it. Our nation has now experienced the longest peacetime expansion in our country's history. The unemployment rate has fallen to 4.4%, the lowest rate in a generation. Inflation remains extremely low. Based on recent studies, there would be no adverse effects on employment or job opportunities with the implementation of the proposed increases in the minimum wage. The 1996–1997 increase of the minimum wage serves as an example of the effect of such an increase upon our economy. Two months after the 1997 increase the national unemployment rate actually dropped one full percentage point. Raising the minimum wage is good for the economy. The extra money gets spent at the grocery store, at the hardware store, and throughout the local community.

Mr. Speaker, approximately, ten to twelve million Americans will benefit from this legislation. Minimum wage workers are a significant part of our workforce. Over half of these workers are women. Almost three-fourths are adults. Half of those who will benefit from this bill work full-time, and 80% of them work over twenty hours per week. They are providers of child care. They are teachers' aides. They are single heads of households with children. These are hard-working people who deserve a fair living wage.

Barbara Ehrenreich, the author of over a dozen books on politics and society, authored a particularly good essay on the consequences of the low wages and the implications of increasing the minimum wage—''The High Cost of Low Wages''—which appeared in the AFL–CIO publication America @ Work. Mr. Speaker, her article is particularly insightful. I urge my colleagues to read Ms. Ehrenreich's article, and I urge them to support the adoption of H.R. 325.

THE HIGH COST OF LOW WAGES

Last summer I undertook an unusual journalistic experiment: I set out to see whether it is possible to live on the kind of wages available to low-skilled workers. I structured my experiment around a few rules: I had to find the cheapest apartment and best-paying job I could, and I had to do my best to hold it—no sneaking off to read novels in the ladies room or agitating for a Union.

So, in early June, I moved out of my home near Key West and into a $500 efficiency apartment about a 45-minute drive from town. I would have preferred the trailer park right on the edge of town, but they wanted over $600 a month for a one-person trailer.

Finding a job turned out to be a little harder than I'd expected, given all the help-wanted signs in town. Finally at one of the big corporate discount hotels where I'd applied for a housekeeping job, I was told they needed a waitress in the associated ''family restaurant.''

The pay was only $2.43 an hour, but I figured with tips, I would do far better than I would have at the supermarket which was offering $6 an hour and change.

I was wrong. Business was slow, and tips averaged 10% or less, even for the more experienced ''girls.'' I was curious as to how my fellow workers managed to pay their rent. The immigrant dishwashers (from Haiti and the Czech Republic) mostly lived in dormitory-type situations or severely overcrowded apartments. As for the servers, some were technically homeless. They just didn't think of themselves that way because they had cars or vans to sleep in. I was shocked to find that a few were sharing motel rooms costing $40 to $60 a night, and I'm talking about middle-aged women, not kids. When I naively suggested to one coworker that she could save a lot of money by getting an apartment, she pointed out that the initial expense—a month's rent in advance and security deposit—was way out of her reach.

Meanwhile, my own financial situation was declining perilously. The money I saved on rent was being burned up as gas for my commuting. I was spending too much on fast food. I began to realize it's actually more expensive to be poor than middle class: You pay more for food, especially in convenience stores, you pay to get checks cashed; and you can end up paying ridiculous prices for shelter.

I decided to redouble my efforts to survive. First, I got a waitressing job at a higher-volume restaurant where my pay averaged about $7.50 an hour. Then I moved out of my apartment and into the trailer park, calculating that, without the commute, I'd be able to handle an additional job. For a total of three days altogether, I did work two jobs—including a hotel housekeeping job I finally landed.

At the end of the month, I had to admit defeat. I had earned less than I spent, and the only things I spent money on were food, gas and rent. If I had had children to care for and support—like many of the women now coming off welfare—I wouldn't have lasted a week.

But my experiment did succeed in showing that, even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live on, at least if she intends to live indoors. I left thinking that if this were my real life, I would become an agitator in no time at all, or at least a serious nuisance.

INTRODUCTION OF THE MEDICARE PHYSICIAN SELF-REFERRAL IMPROVEMENT ACT OF 1999

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. STARK. Mr. Speaker, the physician self-referral law has successfully prevented billions of dollars worth of business deals that would have abused patients through overtesting and provision of unnecessary services and wasted Medicare funds. That's why the legislation that is sponsored by Representative BILL THOMAS—which effectively guts the statute by eliminating the Federal Government's authority to regulate providers' compensation relationships—should be summarily rejected.

Instead, I hope that my colleagues will take a careful look at the legislation that I am introducing, which makes certain responsible changes in the law to streamline and simplify it.

The principal provision in the Medicare Physician Self-Referral Improvement Act of 1999 creates a fair market value exception, or safe harbor, for providers who enter into compensation relationships with entities to which they refer Medicare and Medicaid beneficiaries for health services. All that is required under the fair-market value exception is that providers set down the terms of their arrangement in writing, that it is for a specified period of time and is signed by all parties; that it is not based on the volume or value of referrals; and that rates paid are commercially reasonable.

What honest doctor can't meet those standards?

The bill that I am introducing also makes changes in the ''direct supervision'' requirement that governs the in-office ancillary services safe harbor; substantially narrows financial relationship reporting requirements for providers, who would only have to produce accounts of their financial relationships and those of immediate family members upon audit; modifies the law's ''direct supervision'' requirement for in-office ancillary services; expands the prepared plan exception to include Medicare and Medicaid coordinated capitated plans; creates an exception for areas in which the HHS Secretary finds there are no alternative providers; exempts ambulatory surgical centers and hospices; alters the definition of a group practice; and requires HCFA to issue advisory opinions within 60 days of receiving a request.

If enacted, these changes would improve the law without undermining it—as the Thomas bill clearly would. Policymakers know that

the self-referral law is uniquely effective in controlling overutilization, and that it works well precisely because providers scrub their arrangements before finalizing contracts. In effect, the self-referral law is self-enforcing.

To further substantiate that point, at a May 13 Ways & Means Health Subcommittee hearing on the physician self-referral law, the HHS Inspector General's chief counsel, D. McCarty Thornton, testified that the phony joint ventures on the 1980's have decreased significantly. That is good news.

The result is that compliance with the law is standard practice in the health industry today. Even Columbia-HCA, which I have long criticized, now has a system in place that carefully screens financial relationships with physicians in order to stay in compliance with the law.

This demonstrates that even without final regulations, the law is effectively controlling overutilization in Medicare's fee-for-service program—which still comprises 82 percent of all enrollees. Absent the law's curbs, Medicare would be highly vulnerable to overutilization again. Indeed, in 1995, when Representative THOMAS introduced similar legislation, the Congressional Budget Office estimated the bill would cost Medicare $400 million over 7 years.

It is particularly hypocritical that the American Medical Association is lobbying for repeal of the law's compensation provisions. Last time I checked, AMA's Code of Medical Ethics bars members from entering into self-referral arrangements.

The Health Care Financing Administration has promised to issue final regulations for the physician self-referral law by next spring. At this juncture, it would be deeply irresponsible to enact legislation that effectively repeals the heart of the law—which is the Federal Government's ability to require fair-market value parameters for compensation arrangements between providers.

If the law is repealed, taxpayers will again be forced to foot the bill for billions of dollars in provision of unnecessary services. Enactment of the Thomas proposal would shorten Medicare's life and return us to the days of the 1980's, when physicians created sham joint ventures to which they steered their patients for unnecessary, expensive, and even painful tests.

I hope that we will not go down that road.

THE MEDICARE PHYSICIAN SELF-REFERRAL IMPROVEMENT ACT

BILL SUMMARY

The Medicare Physician Self-Referral Improvement Act of 1999 introduced by Rep. Stark refines the self-referral laws in a number of ways. Below is a summary of the bill that highlights major provisions in current law and major changes that this legislation makes to those provisions.

Current law bans compensation between doctors and providers in certain designated health services areas. It is designed to provide a ''bright line'' in the law and to avoid requiring the government to investigate difficult ''kickback'' cases. The current law includes many complex exceptions to the total ban.

The Medicare Physician Self-Referral Improvement Act of 1999 would replace most of the compensation exceptions with a single ''Fair Market Value'' test. It would maintain the exceptions to the ban for physician recruitment and de minimis gifts. Under the fair market value test, an agreement must be in writing, for a definite period of time, and not be dependent on the volume or value of referrals. The compensation in the contract must be a reasonable ''fair market'' rate.

Current law requires ''direct supervision'' by referring physicians of those providing designated health services to qualify for the in-office ancillary service exception.

The Medicare Physician Self-Referral Improvement Act of 1999 would require general supervision which is a less stringent standard than current law, but it would require that generally the physician be on the premises.

Current law provides a general managed care exemption.

The Medicare Physician Self-Referral Improvement Act of 1999 would clarify that the managed care exemption extends to Medicaid managed care plans and Medicare+Choice organizations.

Current law provides an exception from the law in instances where no alternative provider is available.

The Medicare Physician Self-Referral Improvement Act of 1999 would change that exception so that the Secretary of Health and Human Services would determine whether an area is underserved and therefore needed such an exception.

Current law requires reporting of provider financial relationships and those of their immediate families, and institutes civil monetary penalties for failure to comply with such reporting requirements.

The Medicare Physician Self-Referral Improvement Act of 1999 would repeal that reporting requirement and replace it with a requirement that physicians have records available for audit purposes. It would also abolish the civil monetary penalties that go along with the current financial relationship reporting requirement.

Current law provides a list of designated health services that are covered by the self-referral ban.

The Medicare Physician Self-Referral Improvement Act of 1999 would remove eyeglasses and lenses from the list and would clarify that the law does not cover ambulatory surgical centers or hospices.

Current law requires HCFA to provide advisory opinions upon request, but has no deadline for their completion.

The Medicare Physician Self-Referral Improvement Act of 1999 would require that advisory opinions be answered by HCFA within 60 days.

Current law forbids providers from providing DME and parenteral and enteral nutrients as part of the in-office ancillary exception.

The Medicare Physician Self-Referral Improvement Act of 1999 would eliminate the ban.

RPS, INC. RECOGNIZED IN CONGRESS

HON. FRANK MASCARA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thurday, July 29, 1999

Mr. MASCARA. Mr. Speaker, I rise today to pay tribute to a company in my district, RPS, Inc., an FDX Company. This company has grown in less than 15 years to become the second largest small-package carrier in North America, and has established a reputation for efficient, affordable, and safe service.

RPS is a major employer and business operating in the southwest corner of Pennsylvania. Its headquarters have been located outside of Pittsburgh since the company was started in 1985 by President and CEO Daniel J. Sullivan. Since then, RPS has been one of the fastest growing companies in the transportation industry and currently employs over 30,000 people nationally, and ships over 1.4 million packages a day. In 1996 the company became the first small-package carrier to offer service to every business address in North America. One reason for the company's outstanding success is rooted in its commitment to technological innovation and emphasis on safe, reliable service.

Recently, RPS was awarded the 1999 Parcel Delivery Carrier of the Year by the National Small Shipments Traffic Conference (NASSTRAC), an organization of shipping executives and industry peers. In the Parcel Delivery category, this honor was bestowed solely upon RPS for its outstanding industry innovations, leadership, technology, on-time performance, service to customers, and sales support. The significance of this award is that industry professionals and peers deemed RPS to be the best in the industry, above all competitors.

In addition, the company and its employees have been recognized for their unparalleled safety record and efficient service to customers. The American Trucking Association recently named two RPS drivers, Keith Herzig and Vicki Carpenter, as Road Team Captains. This title is conferred upon 12 elite drivers annually for their exemplary safety and service records. Furthermore, RPS won the American Trucking Association's National Truck Safety Contest in 1998 or having the fewest number of accidents in the 20 million miles hauled category. RPS can serve as an example to other companies in industries which operate heavily on our nation's highways.

I am honored to have such a fine company in my district and to represent them in Congress. I am certain RPS will continue to have a long and successful future serving America's business transportation needs.

THE ANNUNCIATION PARISH COMMUNITY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in celebration of the Annunciation Parish Community as it celebrates its 75th year of dedicated service to the West Cleveland community.

The Annunciation Parish Community, through its ''willingness to bear Jesus to the world,'' has served as a center for the religious expression and the spiritual growth of the West 130th and Bennington communities.

Through the rite of Baptism as well as conversions, Annunciation has brought many members of the community into the Catholic